



FOR IMMEDIATE RELEASE
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CONTACT: Lynne Randolph
(916) 445-7442

State Requires Kaiser Foundation Health Plan to Pay \$5 Million for Failures at San Francisco Kidney Transplant Center

Health plan assessed a \$2 million penalty, along with \$3 million to promote organ donation

(Sacramento) – The Department of Managed Health Care (DMHC) has fined Kaiser Foundation Health Plan \$2 million for its failures to provide adequate oversight of its Northern California kidney transplant center. In addition, Kaiser will provide \$3 million in funding to Donate Life California, an organ and tissue donor registry program, to conduct a media and outreach campaign aimed at increasing organ donations.

“Patients must be assured that health plans will do what is necessary to ensure patient safety,” said Cindy Ehnes, Director of the DMHC. “The amount of this fine, the largest we have ever assessed, reflects the extremely serious nature of Kaiser’s oversight failures. In addition to the fine, Kaiser’s outreach funding will result in tangible benefits to directly save lives.”

The fine was assessed after consumer complaints prompted a DMHC investigation that included an on-site survey at the transplant center. The DMHC’s preliminary report document, and additional investigation discovered, that Kaiser’s lack of administrative and clinical oversight of the kidney transplant center resulted in processing delays of patient transfers on the national transplant waiting list. Kaiser deficiencies include:

- Inadequate oversight of its medical group, which administers the kidney transplant program;
- Failure to ensure that its medical group had sufficient administrative capacity to accomplish the transfer of its patients from other transplant centers into the Kaiser program;
- Failure to ensure timely accessibility to specialists in the kidney program;
- Improper monitoring of its medical group’s grievance system to timely respond to patient complaints; and

-more-

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980 9th Street
Suite 500
Sacramento, CA 95814-2725
916-324-8176 Voice
916-322-9430 Fax

320 West 4th Street
Suite 880
Los Angeles, CA 90013-1105
213-620-2744 Voice
213-576-7183 Fax

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- Lack of consistent and timely referrals for necessary kidney transplant services.

The current agreement on the monetary penalties does not absolve the plan of its continuing obligation to timely provide all medically necessary services to current kidney patients. The DMHC's onsite monitor will continue to ensure that Kaiser's transplant patients are safely transferred to alternate centers.

Since the first complaints were received in March, the DMHC has worked with Kaiser to create a seamless transition to the University of California at San Francisco and the University of California at Davis for its patients awaiting a kidney transplant. During the transition, the DMHC has taken all necessary steps to ensure that no patient will be denied a kidney transplant if an organ becomes available. In fact, since the transition began, 21 patients have successfully received a kidney transplant.

The DMHC acknowledges Kaiser's cooperation with the transition process and its decision fund outreach efforts to increase organ donations. The agreement also requires the plan to promptly and safely continue to complete the transfer of all of its kidney transplant candidates. To the end, Kaiser will continue to process medical charts on a priority basis, which will ensure that the patients closest to transplant will be the first to be transferred to the alternate centers. At present, the DMHC and the alternate centers are working with Kaiser to refer approximately 35 medical files per day to the UC centers.

Kaiser has also committed to completing all necessary patient testing needed for the successful transfer of wait time on the national registry within two weeks of the patient's medical file to their preferred transplant center. In addition, Kaiser will provide additional services to patients whose clinical conditions have rendered them no longer viable transplant candidates, including testing, treatment, evaluations and lifestyle improvements.

The DMHC is also currently conducting an additional medical survey to determine the quality and adequacy of Kaiser's enrollee grievance and quality of care systems.

The California Department of Managed Health Care is the only stand-alone watchdog agency in the nation, touching the lives of more than 21 million enrollees. The DMHC has assisted more than 633,000 Californians through its 24-hour Help Center to resolve their HMO problems, educate consumers on health care rights and responsibilities, and work closely with HMO plans to ensure a solvent and stable managed health care system.

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